

June 2, 2008

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, South Carolina 29210

Dear Mr. Terreni:


In compliance with the Public Service Commission's Order No. 18,100 in Docket No. 17,134 dated January 15, 1975; a request from the Executive Director dated September 30, 1987; Order Nos. 88-864 and 88-971 in Docket No. 88-11-E; and the officer verification certification enacted by the Commission on December 17, 2002, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. submits the following information per its books and as adjusted for the 12-month period ending March 31, 2008:

1. Officer verification certificate
2. System Rate of Return on Rate Base - Exhibit A1
3. South Carolina Rate of Return on Rate Base - Exhibit A2
4. Return on Common Equity (Allocated to South Carolina Retail) - Exhibit B
5. Earnings Per Share on Progress Energy's Common Stock - \$1.70
6. Debt Coverage Ratio or Earnings to Fixed Charges - 4.63 times

The allocations and adjustments required to determine the information requested in the Commission's orders and request are in general accordance with the allocation methodology described by the Commission in our most recent general rate case (Docket No. 88-11-E, Order No. 88-864). The level of detail encompassed in this report is not sufficient for ratemaking purposes.

✓ Attached is a copy of this report, which I request that you stamp and return to me. If you have any questions or concerns, please call me at 919-546-7091.

Sincerely,


Michele de Lyon
Principal Business Financial Analyst
Progress Energy Service Company
21450

c: John Flitter

Enclosure

CERTIFICATION

(Certification must be signed by the Chief Financial Officer)

I, Peter M. Scott III, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

The information in this filing is subject to and should be read in conjunction with all filings made by Progress Energy, Inc. with the SEC that contain information related to Progress Energy, Inc.'s and/or Progress Energy Carolinas, Inc.'s 2007 financial results, copies of which can be obtained at <http://www.sec.gov/edgar>.



Peter M. Scott III
Executive Vice President and Chief Financial Officer
Progress Energy, Inc.

June 2, 2008
Date Signed

Subscribed and Sworn to before me this 2 day of June, 2008



Notary Public

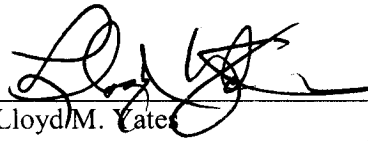
My Commission Expires: 7/1/10

CERTIFICATION

(Certification must be signed by the Chief Executive Officer)

I, Lloyd M. Yates, state and attest, under penalty of perjury, that the attached quarterly financial report is filed on behalf of Progress Energy Carolinas, Inc. as required by the Public Service Commission of South Carolina; That I have reviewed said report and, in the exercise of due diligence, have made reasonable inquiry into the accuracy of the information and representations provided therein; and that, to the best of my knowledge, information, and belief, all information contained therein is accurate and true and contains no false, fictitious, fraudulent or misleading statements; that no material information or fact has been knowingly omitted or misstated therein, and that all information contained therein has been prepared and presented in accordance with all applicable South Carolina general statutes, Commission rules and regulations, and applicable Commission Orders. Any violation of this Certification may result in the Commission initiating a formal earnings review proceeding.

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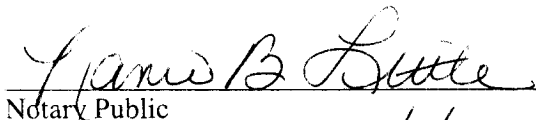


Lloyd M. Yates
President & Chief Executive Officer
Progress Energy Carolinas, Inc.

6/2/08

Date Signed

Subscribed and Sworn to before me this 2 day of June, 2008.



Notary Public

My Commission Expires: 7/1/10

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED MARCH 31, 2008

EXHIBIT A1

SYSTEM TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	4,403,456,492	(120,146,166)	4,283,310,326
OPERATING EXPENSE:			
NET O&M EXPENSES	2,368,131,291	(10,001,960)	2,358,129,331
DEPRECIATION	873,108,724	29,143,321	902,252,045
TAXES (OTHER THAN INCOME)	192,327,888	(2,780,042)	189,547,846
INCOME TAX - STATE	21,817,202	2,241,036	24,058,238
INCOME TAX - FEDERAL	236,322,328	(28,037,989)	208,284,339
PROV. FOR DEFERRED TAXES	45,369,408	(17,319,686)	28,049,722
INVESTMENT TAX CREDIT	(5,733,012)	-	(5,733,012)
TOTAL OPERATING EXPENSE	3,731,343,829	(26,755,320)	3,704,588,509
INCOME FOR RETURN:			
OPERATING INCOME	672,112,663	(93,390,846)	578,721,817
CUSTOMER GROWTH	5,982,651	(831,296)	5,151,355
INTEREST ON CUST. DEPOSITS	(4,122,912)	-	(4,122,912)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	673,972,402	(94,222,142)	579,750,260
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	15,037,534,297	222,411,170	15,259,945,467
PLANT HELD FOR FUTURE USE	2,415,140	-	2,415,140
RESERVE FOR DEPRECIATION	(8,090,860,609)	364,295,879	(7,726,564,730)
NET PLANT IN SERVICE	6,949,088,828	586,707,049	7,535,795,877
NUCLEAR FUEL INVENTORY	270,401,461	-	270,401,461
DEFERRED TAXES - LIB. DEPR.	(682,338,874)	80,115,394	(602,223,480)
REGULATORY ASSETS	88,975,856	(65,252,069)	23,723,787
WORKING CAPITAL:			
MATERIALS & SUPPLIES	774,607,052	(133,988,071)	640,618,981
CASH WORKING CAPITAL	444,581,944	-	444,581,944
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	3,039,465	-	3,039,465
TAX ACCRUALS	(142,559,036)	-	(142,559,036)
CUSTOMER DEPOSITS	(73,081,329)	-	(73,081,329)
OPERATING RESERVES	(483,536,044)	-	(483,536,044)
CUSTOMER ADVANCES FOR CONSTR.	(31,402,456)	-	(31,402,456)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	491,649,596	(133,988,071)	357,661,525
TOTAL RATE BASE	7,117,776,867	467,582,303	7,585,359,170
RATE OF RETURN (%)	9.47		7.64

PROGRESS ENERGY CAROLINAS
SC QUARTERLY REPORT
PER BOOKS AND ADJUSTED COS STUDY
FOR THE TEST YEAR ENDED MARCH 31, 2008

S.C. RETAIL TOTAL - ELECTRIC OPERATIONS			
DESCRIPTION	TOTAL PER BOOKS	ADJUSTMENTS	TOTAL WITH ADJUSTMENTS
(1)	(2)	(3)	(4)
	\$	\$	\$
NET OPERATING REVENUE	542,728,003	2,654,561	545,382,564
OPERATING EXPENSE:			
NET O&M EXPENSES	399,353,472	(3,594,715)	395,758,757
DEPRECIATION	62,490,599	3,937,390	66,427,989
TAXES (OTHER THAN INCOME)	13,909,345	177,745	14,087,090
INCOME TAX - STATE	3,778,143	1,455,626	5,233,769
INCOME TAX - FEDERAL	3,711,569	4,483,146	8,194,715
PROV. FOR DEFERRED TAXES	(1,064,808)	(10,299,861)	(11,364,669)
INVESTMENT TAX CREDIT	(818,521)	-	(818,521)
TOTAL OPERATING EXPENSE	481,359,799	(3,840,670)	477,519,129
INCOME FOR RETURN:			
OPERATING INCOME	61,368,204	6,495,231	67,863,435
CUSTOMER GROWTH	175,132	18,536	193,668
INTEREST ON CUST. DEPOSITS	(371,797)	-	(371,797)
HARRIS DEFERRAL AMORT.	-	-	-
TOTAL INCOME FOR RETURN	61,171,539	6,513,767	67,685,306
RATE BASE:			
PLANT IN SERVICE:			
ELECTRIC PLANT IN SERVICE	2,169,174,575	32,034,072	2,201,208,647
PLANT HELD FOR FUTURE USE	347,855	-	347,855
RESERVE FOR DEPRECIATION	(1,159,159,489)	51,486,758	(1,107,672,731)
NET PLANT IN SERVICE	1,010,362,941	83,520,830	1,093,883,771
NUCLEAR FUEL INVENTORY	39,005,261	-	39,005,261
DEFERRED TAXES - LIB. DEPR.	(106,948,108)	12,382,951	(94,565,157)
REGULATORY ASSETS	15,343,486	(9,398,312)	5,945,174
WORKING CAPITAL:			
MATERIALS & SUPPLIES	95,388,587	(1,342,965)	94,045,622
CASH WORKING CAPITAL	71,940,052	-	71,940,052
UNCLAIMED REFUNDS	-	-	-
PREPAYMENTS	497,406	-	497,406
TAX ACCRUALS	(17,329,672)	-	(17,329,672)
CUSTOMER DEPOSITS	(11,874,467)	-	(11,874,467)
OPERATING RESERVES	(68,918,173)	-	(68,918,173)
CUSTOMER ADVANCES FOR CONSTR.	(4,181,193)	-	(4,181,193)
UNAMORTIZED PROJECTS	-	-	-
TOTAL WORKING CAPITAL	65,522,540	(1,342,965)	64,179,575
TOTAL RATE BASE	1,023,286,120	85,162,503	1,108,448,623
RATE OF RETURN (%)	5.98		6.11

PROGRESS ENERGY CAROLINAS
S.C. QUARTERLY REPORT
S.C. RETAIL - RETURN ON COMMON EQUITY
FOR THE TEST YEAR ENDED MARCH 31, 2008

"PER BOOKS"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,785,966,060	48.57%	497,010,068	5.81%	28,876,285
PREFERRED STOCK	59,333,982	0.76%	7,776,975	5.73%	445,621
COMMON EQUITY	3,950,359,232	50.67%	518,499,077	6.14%	31,849,633
TOTAL CAPITALIZATION	7,795,659,274	100.00%	1,023,286,120		61,171,539

"PER SHARE"

DESCRIPTION	TOTAL COMPANY CAPITALIZATION		S.C. RETAIL RATE BASE	RATE EARNED	NET OPERATING INCOME
	AMOUNT \$	RATIO %			
(1)	(2)	(3)	(4)	(5)	(6)
LONG-TERM DEBT	3,737,324,001	48.91%	542,142,222	5.81%	31,498,463
PREFERRED STOCK	59,333,982	0.78%	8,645,899	5.73%	495,410
COMMON EQUITY	3,844,447,622	50.31%	557,660,502	6.40%	35,691,433
TOTAL CAPITALIZATION	7,641,105,605	100.00%	1,108,448,623		67,685,306